IN THE DRAWINGS

The attached sheets of drawings include changes to Figs. 1-3. These sheets, which includes Figs. 1-3, replace the original sheets including Figs. 1-3.

Attachment: Replacement Sheets (3)

REMARKS

Favorable reconsideration of this application, in view of the present amendments and in light of the following discussion, is respectfully requested.

Claims 1-52 are pending and amended. No new matter is introduced.

In the outstanding Office Action, Figures 1-3 were objected to as containing informalities; the specification was objected to as containing informalities; Claims 45-52 were rejected under 35 U.S.C. § 101; Claims 1-52 were rejected under 35 U.S.C. § 112, second paragraph; and Claims 1-52 were rejected under 35 U.S.C. § 102(b) as being anticipated by Nagai (U.S. Patent Application Publication No. 2002/0015494, hereafter "Nagai").

Submitted herewith are three replacement sheets for Figures 1-3, which address the informalities identified in the outstanding Office Action. Further, the specification is amended hereby to adopt the Examiner's suggestions. Accordingly, it is respectfully requested that the objection to the drawings and the objection to the specification both be withdrawn.

As for the rejection of Claims 45-52 under 35 U.S.C. § 101, Claims 45-52 are respectively amended to recite "a computer-readable medium storing computer-readable instructions thereon." MPEP § 2106 discusses statutory subject matter in relation to data structures of a computer readable medium, and provides,

A claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permit the data structures functionality to be realized, and is thus statutory.

Thus, based on the clear language of this section, amended Claims 45-52 are statutory as they define a functionality of which is realized based on the interrelationship of the

structure to the medium and recited hardware components. Accordingly, it is respectfully requested that the rejection of Claims 45-52 under 35 U.S.C. § 101 be withdrawn.

With regard to the rejection of Claims 1-52 under 35 U.S.C. § 112, second paragraph, Claims 1-52 are amended to address the informalities identified in the outstanding Office Action. As such, it is believed that Claims 1-52, as amended, comply with the requirements of 35 U.S.C. § 112, second paragraph. Therefore, it is respectfully requested that the rejection of Claims 1-52 under 35 U.S.C. § 112, second paragraph, be withdrawn.

With respect to the rejection of Claims 1-52 as being anticipated by <u>Nagai</u>, Claim 1 is amended to recite, *inter alia*, a signal processing system that includes:

a record and reproduction apparatus including,

an electronic storage unit configured to store the first encrypted key,

a second encrypted key decryption unit configured to decrypt the second encrypted key encrypted and recorded on the record medium, the second encrypted key being decrypted with the first encrypted key,

a third encrypted key generator configured to generate the third encrypted key,

an encryption unit configured to encrypt the third encrypted key with the decrypted second encrypted key... (emphasis added).

Turning to the applied reference, <u>Nagai</u> describes a system that scrambles data using a title key, disc key and master key to protect the data from illegal copying.¹ <u>Nagai</u> describes that the disc key is encrypted using a master key and recorded on the disc lead-in area, and that the title key is encrypted using the disc key and recorded to a disc sector area.²

Nagai at page 3, paragraphs [0049]-[0050].

² Nagai at page 3, paragraphs [0054]-[0055].

Nagai also describes a personal computer recording system (600) capable of recording the data to be protected as described above.³ More specifically, Nagai describes that the personal computer recording system (600) includes a PC encoder (600-1) and a PC recording device (600-2) connected together with a digital interface capable of preventing illegal copying, such as SCSI, ATAPI, or IEEE 1394.⁴ The PC recording device (600-2) includes decryption unit (618) controlled by authentication unit (617), and the PC encoder (600-1) includes encryption unit (614) controlled by authentication unit (613).⁵ Nagai describes that the decryption unit (618), the encryption unit (614), and the authentication units (617 and 613) are used to prevent unauthorized tapping of the digital transmission interface in order to illegally copy the content.⁶

However, Nagai does not describe that the PC recording device (600-2) includes a disc key decryption unit that decrypts the disc key using the master key, or a title key encryption unit that encrypts the title key using the decrypted disc key. Instead, Nagai merely describes that the decryption unit (618) of the PC recording device (600-2) decrypts data sent via digital interfaces (616 and 615) using a pass key generated by the authentication unit (617), or authentication unit (613), once the respective authentication units (613 and 617) of the PC recording device (600-2) and the PC encoder (600-1) authenticate each other. Nagai only describes that the master key, disc key and title key are used by the scrambler (610) or the descrambler (902), both located on the PC encoder (600-1), not the PC recording device (600-2). In fact, Nagai does not describe that the PC recording device (600-2) uses the disc key, title key, or master key at any time. Conversely, amended Claim 1 recites that the record and reproduction apparatus includes "a second encrypted key decryption unit

³ Nagai at page 7, paragraph [0121].

⁴ Nagai at page 7, paragraph [0121].

⁵ Nagai at pages 7-8, paragraphs [0122] and [0123]; see also Figure 7.

⁶ Nagai at page 7, paragraph [0118].

⁷ Nagai at page 7, paragraph [0122]-page 8, paragraph [0123].

⁸ Nagai at page 8, paragraph [0122]; page 9, paragraph [0137]; see also Figures 7 and 10.

configured to decrypt the second encrypted key... with first encrypted key," and "an encryption unit configured to encrypt the third encrypted key with the decrypted second encrypted key." Therefore, Nagai fails to disclose the claimed record and reproduction apparatus, and amended Claim 1, together with its corresponding dependent claims, is thus believed to be in condition for allowance.

Moreover, amended Claims 5, 9, 13, 17, 20, 23, 26, 29, 33, 37, 41 and 45-52 recite features substantially similar to those recited in amended Claim 1, and are therefore believed to be in condition for allowance, together with their corresponding dependent claims.

Accordingly, it is respectfully requested that the rejection of Claims 1-52 under 35 U.S.C. § 102(b) be withdrawn.

For the reasons discussed above, no further issues are believed to be outstanding in the present application, and the present application is believed to be in condition for formal allowance. Therefore, a Notice of Allowance for Claims 1-52 is earnestly solicited.

Respectfully submitted,

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